Part 1 –Introduction and Overview

A. Applicability: This is an Application to request exemption from various charges related to Customer Generating Facilities used to replace electric utility service. It may be used to request exemption from various charges and requirements under the following Utility tariff schedules:

- Departing Load - Cost Responsibility Surcharge, Schedule XX-XXX
- Departing Load - Nonbypassable Charges, Schedule XX-XXX
-

Capitalized terms used in this Application, and not otherwise defined herein, shall have the same meanings as defined in Utility's Rules 1 and 21. This Application may be used for any Generating Facility operated by or for a Customer to supplement or serve the Customer's electric service requirements that would otherwise be served by the Utility. Such generating facilities are sometimes referred to as "distributed" generation or "cogeneration" facilities.

B. Guidelines and Steps for Processing: This Application must be completed and sent to the Utility to initiate the Utility's review and determination of tariff exemption eligibility requirements for the proposed Generating Facility. Note that the information provided to the Utility will be shared with the California Energy Commission (CEC) and California Public Utilities Commission (CPUC). The Utility first provisionally determines whether or not a Generating Facility qualifies for available exemptions, with the final determination and notice provided only after review and approval is received from the California Energy Commission.

This application supplements, and does not replace, the Utility's Application to Interconnect a Generating Facility. Separate interconnection applications are available and are required to be completed to request the interconnection of your Generating Facility. Other approvals may also need to be acquired and/or other agreements may need to be formed with the Utility and various governmental regulatory agencies, such as the Air Quality Management Districts and local governmental building and planning departments prior to operating a Generating Facility.

C. Commonly Used Terms / Definitions: The following Definitions and Commonly Used Terms are used throughout this application:

[Definitions and Terms to be added or deleted pending comments….]

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Billing Determinants	That portion of the unbundled rate schedule, i.e., CTC, PPP, TTA, and ND, that are required as a nonbypassable charge obligation for departed customers.
Black Start	A synchronous generator with the ability to start and provide the ongoing physical flow of power with no connection to PG&E's T&D facilities, or the ability to start operation without the use of standby power.
Break-before-make (open-transition)	A transfer switch designed to provide the transfer of customer's loads from the utility grid to an emergency or standby power source. The generation does not interconnect or parallel with the utility grid. The disconnection from the utility grid prior to on-site generation creates an interruption in service.
Capacity Factor	A measure of the degree to which the capacity of a generating unit is being used during a designated period of time, expressed as a percentage (%). capacity factor = kWh of electricity generated nameplate rating (kW) X period (in hours, i.e., 24 hrs. X 365 days = 8760 hrs. annually).
Cogeneration	Consecutive generation of thermal and electrical or mechanical energy. Cogeneration is a process that reuses thermal energy by coupling a thermal industrial process with thermal generation. There are also certain CPUC requirements, per CPUC 218.5, that must be met in order to qualify for cogen Tariff Exemptions.
CPUC	California Utility Commission sometimes referred to as "the Commission".
CTC	Competition Transition Charge. Generally, those costs that cover PG&E's generation related infrastructure investments and power purchases (QF) payments that are not competitive after restructuring.
Departed Load	1. Discontinued or reduced purchases of electricity supply from PG&E; 2. Electricity supplied and delivered by sources other than PG&E to replace such PG&E purchases; 3. Remains physically located at the same location or within PG&E's service area as it existed on Dec. 20, 1995.

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DG	Distributed Generation, as defined by the California Energy Commission (CEC): *DG is electric generation connected to the distribution level of the transmission and distribution grid usually located at or near the intended place of use. Also defined in the CPUC's Distributed Generation Proceeding, D.99-10-025.*
DL	Departed Load. A customer that switches and/or replaces all or part of its load to another distribution source such as self-generation, cogeneration, an irrigation district or municipality. (Elect. Preliminary Statement BB.)
DLA	Departed Load Agreement - Form No. 79-954
DLS	Departed Load Statement. A required document, also referred to as "The Departing Load CTC Statement", that must be returned to the customer no later than 20 days after receipt of the customer's NOD. This statement must contain information such as the reference period billing determinants, the rate schedule and voltage level as of the date the customer provided its NOD, and any claim for a CTC or NBC exemption. (Preliminary Stmt BB.5.a.)
DSM and/or CEE	Demand-Side-Management and Customer Energy Efficiency. Both of these measures are considered by the CPUC as changes in the customer's normal course of business, and therefore not subject to NBCs since they are a reduction in demand, not a displacement of demand from the PG&E grid.
CDWR	California Department of Water Resources. On January 17,2001, the State, through the CDWR, assumed the responsibility for power procurement to meet the Utilities' net-short electricity requirements. The costs of the power purchased during the energy crises, along with the costs of forward purchase obligations incurred by the CDWR, must now be recovered. On October 15, 2002, a Settlement Agreement was filed that deals with almost all the issues regarding cost responsibility for DL customers whose load is displaced by installation of DG units to serve either on-site or qualifying over-the fence loads. (R.02-01-011). **PG&E is mandated by the California Legislature and the CPUC to collect these charges on behalf of the CDWR. These charges consist of two major cost categories: the DWR Bond charge and the DWR Power Charge.**

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DWR Bond Charge	The charge implemented by the Commission to recover past costs from Utility bundled ratepayers "Bond Related Costs" as defined in Decision 02-02-051. The **estimated** dollars per kWh = $0.004 to $0.006.
DWR Power Charge	The charge implemented by the Commission to recover from the Utility bundled ratepayers CDWR's current, going forward costs. The **estimated** dollars per kWh of $0.00 if exempted within the annual 250 MW statewide cap, or up to $0.04 if not exempted.
Exemptions from CTCs	When used in reference to departed load, that portion of customer load served through a direct transaction that does not require the use of PG&E's transmission or distribution facilities. Any party claiming an exemption from transition charges (CTCs) under this provision shall demonstrate through a physical test, the ability to start and fully operate on an ongoing basis without the use or requirement of PG&E's T&D system (black start).
FERC	Federal Energy Regulatory Commission, which has jurisdiction over Wholesale Generation or “Sale-for-resale”.
Fuel Cell	A device that generates direct current electricity by means of an electro-chemical process.
Interconnection; (Interconnected)	Connection to and parallel operation with the PG&E distribution system for 60 cycles or more.
Islanded	A condition in which a Customer's load is able to be "islanded", or isolated from the power grid, and to demonstrate that the direct transaction between the generation source and the customer's load does not require the use of PG&E's T&D systems.
Make-before-break (close-transition)	A transfer switch designed to provide the transfer of customer’s loads from the utility grid to a generation source. The generation interconnects and parallels with the utility grid for more than one (1) second where synchronism, voltage, frequency and phase angle relationships are met. Ideally, the end result is no interruption of power to the customer's facility as opposed to the break-before-make scenario that normally causes an interruption in power. The State Legislature and other regulatory bodies for institutions such as hospitals and other emergency or safety agencies often mandate this requirement.
NBC	Nonbypassable Charges sometimes referred to by customers as, "exit fees".

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ND	Nuclear Decommissioning. Nuclear decommissioning costs for PG&E's nuclear power plants.
Net Generation Metering	The metering of the net electrical energy output in kW and kWh from a given Generating Facility. This may also be the measurement of the difference between the total electrical energy produced by a Generating Unit and the electrical energy consumed by the auxiliary equipment necessary to operate the Generating Unit, also referred to as the station or parasitic load.
NOD	Notice of Departure. Notification to PG&E of the customer's intention to take steps that will make their load Departing Load, and must be received by PG&E at least 30 days in advance of discontinuation or reduction of electric service from PG&E. (Preliminary Stmt, BB.4.a.)
OTF	Over the Fence. Per CPUC 218(b)(2): The use and sale of electric service by a non-utility generator to an immediately adjacent neighbor.
Parallel Operation	The simultaneous operation of a Generating Facility with power delivered or received by PG&E at 60 cycles while Interconnected.
Peak Shaving	A generating unit within a plant or facility, operated to meet maximum (peak) demand. In most cases, the highest rate costs are associated with usage during the peak periods of between 12 noon and 6 pm, Monday through Friday. Peak shaving is the use of self-gen or cogeneration to offset peak cost.
PPP	Public Purpose Program. These charges cover the cost of customer energy efficiency programs, low income programs and California Energy Commission renewable energy development programs (SGIP).
PURPA	Federal Public Utility Regulatory Policies Act of 1978, enacted to promote the development and use of alternative and renewable energy sources.
QF	Qualifying Facility. A small non-utility power producer that meets operating efficiency and fuel-use standards set by FERC, and qualifies to supply generating capacity and electric energy to electric utilities through the use of a Power Purchase Agreement (PPA).

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Reference Load Profile	The option selected by the customer for determining the nonbypassable charges, i.e., demand and energy usage over the 12 months period prior to the customer's NOD; or the customer's 12 month demand and energy usage averaged over the prior 36 months of usage. The customer also has the option of selecting actual metered "net gen output" data in place of historical usage.
Renewable Energy	Per CPUC 383.5, …"In-state electricity generation technology" means biomass, solar thermal, photovoltaic, wind, geothermal, small hydropower of 30 MW or less, waste tire, digester gas and municipal solid waste technologies.
Rule 21	Rule describing the interconnection, operating and metering requirements for Generating Facilities intending to connect to PG&E's distribution system, under CPUC jurisdiction.
Section 218.5	Shorthand for CPUC 218.5, which defines "cogeneration", and sets the standard as: (a) At least 5 percent of the facility's annual energy output shall be in the form of useful thermal energy. (b) Where useful thermal energy follows power production, the useful annual power output plus one-half the useful annual thermal energy output equals not less than 42.5 percent of any natural gas or oil energy input.
Self-Generation (self-gen)	A generating facility used to meet the customer's own electric energy demand, either partially or in whole.
SGIP	Self-Generation Incentive Program. Provides financial incentive's for the installation of new, qualifying self-generation equipment installed to meet all or a portion of electrical needs of a facility. The program is divided into 3 levels of renewable and non-renewable technologies, the maximum system size being set at 1 MW. All self-generation systems are required to "Interconnect" under Rule 21.
Standby Service	Electric service provided by PG&E to customers who normally generate their own electricity, or obtain their electricity over non-PG&E owned wires from a non-PG&E generator, but need back-up power for scheduled maintenance or for times when the customer's on-site load exceeds the generation source capacity. The NBCs are included within the Standby Rate Schedule.

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Synchronous Generator vs. Induction Generator	The two basic types of generators used for on site generation that operate in parallel with the utility grid are synchronous and induction generators. **Synchronous** generators are most often used for "emergency" or "standby" power, but in many cases may be used to provide all of the power requirements of a facility. The customer who desires to be completely "power independent" from the utility grid must use this type of generator. However, protection equipment and switchgear is normally installed to allow the synchronous generator to parallel with the utility grid. **Induction** generators are most often used for "peak shaving" or "base load displacement". These generators will not produce power without the "excitation" drawn by the generator from the utility grid. One advantage of these generators is that since they cannot produce power absent the utility grid load, much of the protection equipment required for synchronous generators may not be required when using these generators, thereby reducing equipment acquisition costs.
T&D	Transmission and distribution facilities.
Telemetering	The electrical or electronic transmittal of metering data on a real-time basis. If the nameplate rating of a Generating Facility is 1 MW or greater, telemetering equipment at the Net Generator Metering location may be required at the Producer's expense to allow visibility for both PG&E and CALISO for monitoring the real-time generation of a generating facility.
TTA	Trust Transfer Amount. The financing costs of the 10% rate reduction bond for residential and small commercial (20 kW or less) customers.

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D. Mailing Instructions, Assistance: When this application has been completed it may be printed and mailed, along with the required attachments to:

Name
Address
Address
Address

If you have questions concerning the completion of this form or the use of the information requested, you may contact the Utility at XXX-XXX-XXXX or e-mail the Utility at xxxxxxxx.com.

Facility Name:	*Date Received:*	*Generating Facility ID:*

(For Utility Use Only)

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Part 2 – Generation Facility Location and Responsible Parties

A. Host Customer Facility Information (Where will the Generating Facility be installed?)

Name shown on Utility electric bill	Electric Service Account No.	Meter Number

NOTE: If available, please also submit a copy of the host Customer facility's electric service bill.

"Service Address" shown on electric bill	City	State	Zip

B. Contact Information (Who should be contacted for additional information, if necessary?)

Contact Person	Company Name

Phone	Fax	Email

Mailing Address	City	State	Zip

C. Contracting Party (Who will be signing the Tariff Exemption Agreement on behalf of the Customer?)

Individual's Name	Title (Position)

Phone	Fax	Email

Mailing Address	City	State	Zip

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Part 3 – Description of the Facility

Equipment Description:

A. Equipment Description

Manufacturer	Model
Nameplate Rating (kW)	Estimated Departing Load (kwh)

B. Operational Date

Actual (already in operation)	Estimated

C. General Description of Planned Operation (baseload, etc.)

D. General Description of Planned Metering

Net Generation Output
Meter No.
Thermal Out

E. Design Engineer

Name (please print)	Phone Number

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Part 3 – Description of the Facility (continued)

F. **Please indicate the technology type(s) and fuels used by the Generators at your Generating Facility.**

Please provide individual entries for each Generator. If an individual Generator uses multiple fuels, please indicate the typical proportion of fuel use.

Generator Prime-Mover Types:

1. Internal combustion reciprocating engine
2. Gas micro-turbine"
3. Gas turbine
4. Photovoltaic (Solar)
5. Fuel cell
6. Wind turbine
7. Hydro turbine
8. Other (specify)

Fuel Types Used

1. Natural Gas
2. Landfill Methane
3. Digester Methane
4. Diesel
5. Other (specify)
6. Not Applicable (N/A)

Generator No.	Prime-Mover Type	Fuel Used	Nameplate Capacity
1.			
2.			
3.			
4.			

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Part 4 - Facility Operational Information

Initial all that apply and complete applicable information fields.

Displaced Utility Customer Class

_____ The facility will supply electric energy to Customer loads identified in Part 5.

_____ The facility will supply electric energy to other parties' electric loads as identified in Part 5.

_____ Customer is not the owner or operator of the facility and has no knowledge of energy deliveries other than to the Customer.
Note: Qualification for tariff exemptions requires information that may only be available with the cooperation of the cogeneration facility owner or operator. Customer's failure to obtain and continuously verify such warranted information may disqualify the Customer from receiving a tariff exemption now or in the future.

Efficiency Verification **(complete only if combined heat and power)**

_____ The facility has no means of "dumping" waste heat and recovers all unit thermal output for useful purposes.

_____ The facility has the ability to discharge heat via _____ _____(describe equipment). Operational efficiency will be verified by measuring heat discharged with no useful purpose and subtracting this amount from unit thermal output. Discharged heat will be measured by: ____ hour meter on heat exchange unit; _____ Btu meter; or _____ other.

_____ Heat recovered for useful purposes will be directly measured by a Btu meter.

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Part 5 - Customer Loads

GENERATING FACILITY

Total Estimated Annual Energy Usage: _____ kWh

Maximum Demand _____ kW (includes all on-site generation, i.e., customer load and generator auxilaries)

ADDITIONAL LOADS

a) Third-Party Loads Served by Same Facility

Name shown on Utility electric bill	Electric Service Account No.	Meter Number

NOTE: If available, please also submit a copy of the host Customer facility's electric service bill.

"Service Address" shown on electric bill	City	State	Zip

b) Third-Party Loads Served by Same Facility

Name shown on Utility electric bill	Electric Service Account No.	Meter Number

NOTE: If available, please also submit a copy of the host Customer facility's electric service bill.

"Service Address" shown on electric bill	City	State	Zip

c) Third-Party Loads Served by Same Facility

Name shown on Utility electric bill	Electric Service Account No.	Meter Number

NOTE: If available, please also submit a copy of the host Customer facility's electric service bill.

"Service Address" shown on electric bill	City	State	Zip

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Part 6 - Applicability of Qualifying Criteria

Criteria applicable to Schedules X-XXX and X-XXX

Indicate if your Generating Facility meets any of the following criteria. Provide individual responses for each generator, if applicable.	Generator No.	Indicate all criteria that apply
1. The Generating Facility will be under 1 MW in size and eligible for financial incentives from either the CPUC's self-generation incentive program (SGIP) or a CEC program. • Provide copy of your application for SGIP incentive funds and the "Reservation Confirmation Incentive Claim Form " sent to you by the utility. • Provide copy of your CEC incentive documentation.	1.	
2. The Generating Facility will be operated under the utility's "**Net Energy Metering**" tariff. • Provide copy of your application for interconnection and service under Schedule X_XXX. 3. The Generating Facility will be operated under the utility's "**Biogas Net Energy Metering**" tariff. • Provide copy of your application for interconnection and service under Schedule X_XXX.	2.	
4. The Generating Facility will meet the requirements for an **Ultra-Clean and Low-Emissions facility** as defined in Public Utilities Code Section 353.2. • Complete and provide Section 353.2 DWR Power Exemption Affidavit (Part 8). 5. The Generating Facility will be operated in a "Combined Heat and Power Application," meeting the efficiency requirements for "**Cogeneration**" of Section 218.5 of the Public Utilities Code. • Complete and provide Section 372 CTC Exemption Affidavit (Part 9).	3.	
6. The Generating Facility will be installed to serve a campus of the **University of California or California State University** systems.	4.	

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Part 7 – Final Categorization Conditions/Criteria

The following conditions must be met to receive final categorization:

EXEMPTION INFORMATION

Will this Facility be exempt from any CRS/NBC Components? _____(Y/N) ***If Yes, select all that apply****:*

Billing Component	Qualifies for Exemption?	Reason(s)	Notes
DWR Bond			
DWR Power			
HPC			
Tail CTC			
NDC			
PPPC			
TTA (FTAC)			

Your Facility may be eligible for additional exemptions, including Standby Charges:

Billing Component	Qualifies for Exemption?	Reason(s)	Notes
Standby			
Other			

Exemption Reasons: 353.1, 353.2, 372, NEM(2827.7, 2827.9), Other Solar, SGIP/CEC Incentives

Note: These conditions may be monitored for ongoing compliance. If conditions change and the facility/system no longer qualifies for one or more CRS exemptions, the CEC and utility must be informed immediately.

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Part 8 – Affidavit in Support of Claim of DWR Power Charge Exemption Under Public Utilities Code Section 353.2

This affidavit documents assertions by _____ ("Customer") that the Customer's facilities and operations qualify for an exemption from the Department of Water Resources (DWR) Power Charge pursuant to Decision 03-04-030 as authorized by Public Utilities Code Section 353.2. Customer understands that the information provided below has a direct and material bearing on meeting legal requirements for the DWR Power Charge exemption. Customer agrees to inform the utility at the address specified below within 30 days should any of the information contained herein become outdated or inaccurate at any time during the generation facility's operation.

Exemption Qualifications (initial all that apply)

_____ The Customer owns and/or operates a facility that commenced initial operation between January 1, 2003 and December 31, 2005.

_____ The facility, described in more detail in Part 3 of this application, produces zero emissions during its operation or produces emissions during its operation that area equal to or less than the 2007 State Air Resources Board emission limits for distributed generation, except that technologies operating by combustion must operate in a combined heat and power application with a 60-percent system efficiency on a higher heating value. Calculation of generation efficiency is provided below.

Calculations

Use calculation format below or attach separate calculations concerning expected calendar year operations. Calculations must be consistent with Public Utilities Code Section 353.2.

$$\frac{\text{Electric Output} + \text{Used Thermal Output}}{\text{Fuel Input}} \geq 60\%$$

Generator Nameplate:	_____	kW
- Parasitic Losses:	_____	kW
= Net Electric Output	_____	kW
x	3413	Btu / hr / kW
= Electric Output	_____	Btu/hr

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Part 8 – Affidavit in Support of Claim of DWR Power Charge Exemption Under Public Utilities Code Section 353.2 (continued)

Unit Thermal Output	_____	Btu/hr
- Adj. For Wasted Thermal	_____	Btu/hr
= Net Used Thermal	_____	Btu/hr

Fuel Input (HHV)	_____	Btu/hr

$$\frac{(\quad) + (\quad)}{(\quad)} = \_\_\_\_\ \% \geq 60\%$$

This calculation prepared by _____ (name), _____ (Company), _____ (telephone), on _____ (date).

Utility Notification Address

All changes to matters covered by this declaration must be communicated in writing to:

Name
Address
Address
Address

I, _____ declare under penalty of perjury that all the information provided above and in this application are true and correct to the best of my knowledge.

_____ (Signature) _____ (Date)

_____ _____(Place)

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Part 9 – Affidavit in Support of Claim of Competition Transition Charge Exemption Under Public Utilities Code Section 372

This affidavit documents assertions by _____ ("Customer") that the Customer's facilities and operations qualify for an exemption from Competition Transition Charges ("CTC") as authorized by Public Utilities Code Section 372. Customer understands that the information provided below has a direct and material bearing on meeting legal requirements for the CTC exemption as set forth in Sections 218, 218.5, and 372 of the Public Utilities Code. Customer agrees to inform the utility at the address specified below within 30 days should any of the information contained herein become outdated or inaccurate at any time during the cogeneration facility's operation.

Exemption Qualifications (initial all that apply)

_____ The Customer owns and/or operates the facility.

_____ The facility, described in more detail in Part 3 of this application, meets cogeneration efficiency standards as required under Public Utilities Code Section 218.5. Calculation of cogeneration efficiency is provided below.

_____ The facility is / will be operated on the same parcel of land on which the electric and thermal loads it delivers energy to are located.

_____ Delivery of electric energy to all load is / will be consistent with the requirements set forth in Public Utilities Code Section 218 for exclusion of the generation facility from being defined as an "electric corporation."

_____ The facility is non-mobile.

Calculations

Use the calculation format below or attach separate calculations concerning expected calendar year operations. Both calculations must be consistent with Public Utilities Code Section 218.5 and **both** calculations must be met to qualify for this exemption.

$$\frac{\text{Electric Output} + \tfrac{1}{2}\text{ Used Thermal Output}}{\text{Fuel Input}} \geq 42.5\%$$

$$\frac{\text{Useful Thermal Output (Btus)}}{\text{Net Electric Output (kWh)} \times \frac{3{,}413\text{ Btu}}{100{,}000\text{ kWhu}} + \text{Net Electric Output (Btus)}} \geq 5\%$$

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Part 9 – Affidavit in Support of Claim of Competition Transition Charge Exemption Under Public Utilities Code Section 372 (continued)

Generator Nameplate:	_____	kW
- Parasitic Losses:	_____	kW
= Net Electric Output	_____	kW
x	3,412	Btu / hr / kW
= Electric Output	_____	Btu/hr

Unit Thermal Output	_____	Btu/hr
- Adj. For Wasted Thermal	_____	Btu/hr
= Net Used Thermal	_____	Btu/hr

Fuel Input (HHV)	_____	Btu/hr

$$\frac{(\quad) + \tfrac{1}{2}(\quad)}{(\quad)} = \_\_\_\_\ \% \geq 42.5\%$$

$$\frac{(\quad)}{(\quad) \times \frac{3{,}413\ \text{kwh}}{100{,}000\ \text{Btu}} + (\quad)} = \_\_\_\_\ \% \geq 5\%$$

These calculations prepared by _____ (name), _____ (Company), _____ (telephone), on _____ (date).

Utility Notification Address

All changes to matters covered by this declaration must be communicated in writing to:

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Address
Address
Address

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Part 9 – Affidavit in Support of Claim of Competition Transition Charge Exemption Under Public Utilities Code Section 372 (continued)

I, _____ declare under penalty of perjury that all the information provided above and in this application are true and correct to the best of my knowledge.

_____ (Signature) _____ (Date)

_____ (Place)

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